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CENTRAL INTELLIGENCE AGENCY

8 October 1948

INTELLIGENCE MEMORANDUM NO. 72

SUBJECT: Postwar Sugar Production of the USSR.

1. The Central Intelligence Agency places the Russian 1947-48 production of sugar (refined) at 1,875 thousand metric tons, equivalent to 1,860 thousand metric tons raw value. This estimate is based on an increase in acreage of 16 percent over that of 1946 and (because of more favorable weather and improvements in agrotechniques) an increase of 150 percent in yield of sugar beets. The extraction rate was assumed unchanged - about 13 percent.

2. This estimate, which is considerably below the widely fluctuating reports made by various trade agencies, corresponds closely to the [REDACTED] view of the most reasonable estimate, and indicates why the USSR has insisted on including sugar imports in reparations and all trade agreements with Eastern European countries.

3. A thorough analysis of the USSR sugar industry shows that the recovery has not been as extensive as misleading Soviet propaganda seems to indicate.

<u>Year</u>	<u>Production</u> 1,000 Metric Tons	<u>Percent of</u> <u>Prewar</u>
1935-39	2,619	100
1944	1,152	44
1945	1,089	42
1946	703	27
1947	1,860	71

4. The Russian statement ("Izvestia", 11 January 1948) that the 1947 output of sugar in the USSR was 110 percent above the 1946 output is a calendar year comparison which pertains to the tail-end sugar-run from the 1945 sugar beet crop processed in early 1946 plus the abnormally small quantity of sugar extracted from the 1946

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sugar beet crop during the last months of that year. This calendar year percentage comparison (110 percent) is not applicable for the computation of the 1947-48 Russian sugar production. The 1947-48 increased production over that of 1946-47 was probably nearer 165 percent.

5. The estimate of the 1946-47 sugar production in the amount of 1,750 thousand short tons raw value (1,583 thousand metric tons raw value) which appeared in "Foreign Crops and Markets", Vol. 55 of 1 December 1947, was a preliminary approximation based on the optimistic reports of the relatively large 1946 sugar beet acreage. The estimates of some of the various trade agencies were even higher. This figure was carried by the United States Department of Agriculture until information received in the spring of 1948 indicated that: (1) the 1946 drought had a drastic effect on the yields of sugar beets; and (2) not all of the crop was lifted or reached the sugar mills. On the basis of this information, the USDA estimate was reduced to 775 thousand short tons raw value (703 thousand metric tons raw value) as reported in "Foreign Crops and Markets", Vol. 56, No. 24 of 14 June 1948.

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